

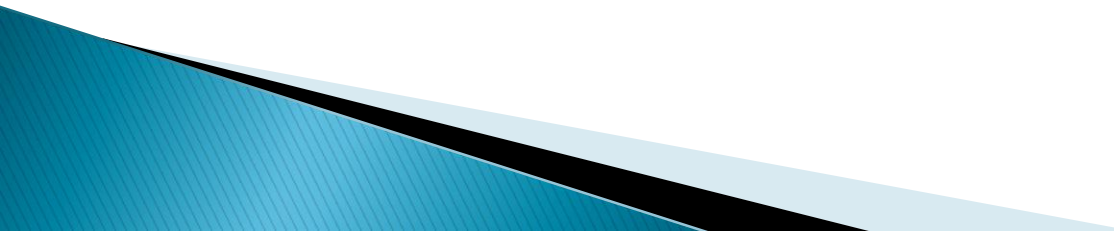
# FY14 GAAPADVANCED ONLINE TRAINING ROLL CALL



State of Delaware  
GAAP  
(*Generally Accepted Accounting  
Principles*) Advanced Online  
Training  
*Fiscal Year 2014*



# GAAP Advanced Training Overview


- ▶ Executive Summary
  - ▶ Key DoA Contact Information
  - ▶ GAAP Closing Schedule
  - ▶ Definition of GAAP
  - ▶ GAAP Components
    - *Revisions and Updates*
  - ▶ GMEN Components
    - *Revisions and Updates*
  - ▶ FY13 Audit Finding and Recommendation Summary
  - ▶ Refresher Points
  - ▶ FSF Monthly Certification Process
  - ▶ Questions and Concerns
- 

# EXECUTIVE SUMMARY

The State of Delaware (State) accounts for its financial operations on the statutory basis of accounting, often referred to as the “budgetary basis”.

The State annually produces financial statements, known as the Comprehensive Annual Financial Report (CAFR). The CAFR presents the financial condition of the State for the fiscal year ended June 30 of each year and is used by legislators, state agencies, bond rating services, and taxpayers.

The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by independent Certified Public Accountants (CPAs) each fiscal year.



# EXECUTIVE SUMMARY (Continued)

The Department of Finance, Division of Accounting (DoA), uses data from FSF to the greatest extent possible but also uses information from agencies via GAAP Reporting Package Manual forms at the end of each fiscal year. DoA uses this year-end information to adjust FSF balances to GAAP basis balances. The adjusted amounts appear only in the GAAP basis financial statements, not in the State's budgetary basis reports.

The State of Delaware submits its CAFR to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program and received this award for the past Eighteen Years.

Due to timely and accurate financial reporting, Delaware is one of only six states that hold the nation's highest bond ratings: AAA from Moody's Investment Service; AAA from Fitch Ratings; and AAA from Standard & Poor's.





*FROM THE DIVISION OF  
ACCOUNTING*

# Division of Accounting

## Financial Accounting & Reporting

### Section Staff

<u>NAME</u>	<u>TITLE</u>	<u>PHONE NUMBER</u>
Dawn Haw-Young	Asst. Director of Financial Reporting	672-5516
Jane Cole	Manager of Financial Reporting	672-5509
Robert C. Johnson	State Accountant V	672-5511
Grace Ikeocha	State Accountant V	672-5505
Brennon A. Fountain	State Accountant IV	672-5513
Christine Talley	State Accountant IV	672-5504
Candice McMillan	State Accountant IV	672-5514
Christine Cosgrove	State Accountant III	672-5519
Jennifer Thornton	State Accountant III	672-5541

# GAAP CLOSING SCHEDULE

*May 2014* ~ GAAP Training for State Organizations

*June 30<sup>th</sup>* ~ Fiscal Year End

*July 10<sup>th</sup>* ~ GMEN Open to organizations for data entry

*July 11<sup>th</sup>* ~ Submit General Survey Questionnaire to DoA

*July 18<sup>th</sup>* ~ Submit Section H GAAP forms (CWIP and CSIP Projects) to DoA; school districts are required to submit June 30<sup>th</sup> School Board meeting minutes with the required forms



# GAAP CLOSING SCHEDULE (CONTD.)

***August 8*** ~ Submit the following GAAP forms:

- ▶ A-3B Cash –Bank
- ▶ A-5 Investments
- ▶ G-5 Compensated Absences with supporting documentation (excel spreadsheets)
- ▶ GAAP Checklist

***August 15*** ~ GMEN closed out to all state organizations for data entry

# WHAT IS GAAP?

Common set of accounting principles, standards and procedures that state organizations use to compile their financial statements



# FY14 GAAP STARTUP AND CLOSE

## *GAAP QUESTIONNAIRE*

- ▶ Identifies what sections each organization will be required to complete and submit to DoA
- ▶ No revisions or updates made to document

Submission deadline to DoA on July 11th

## *GAAP CHECKLIST*

- ▶ Ensures completion of all sections within the GAAP Package
- ▶ No revisions or updates made to document

Submission deadline to DoA on August 8th

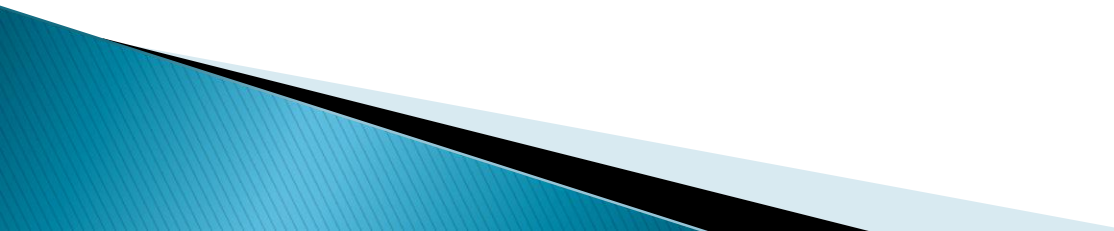
# GAAP COMPONENTS

- ▶ Cash (Section A)
- ▶ Accounts Receivable (Section B)
- ▶ Accounts Payable (Section C)
- ▶ Supplies and Materials (Section D)
- ▶ Leases (Section F)
- ▶ Compensated Absences (Section G)
- ▶ CWIP and CSIP (Sections H)
- ▶ Activity Summary A-12A (Funds 100 thru 845)
- ▶ Activity Summary A-12B (Funds 855 thru 890)

# CASH AND CASH EQUIVALENTS – SECTION A



# CASH AND CASH EQUIVALENTS

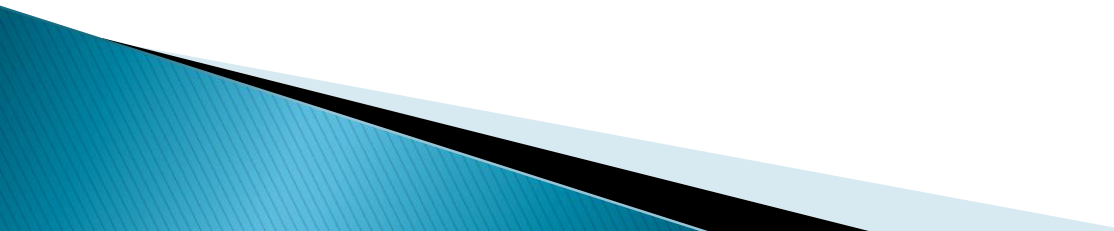
- ▶ Cash on hand and in bank accounts that are outside of FSF (i.e. not under direct State Treasurer's Office control) and the risk associated with them as of June
  - ▶ Examples of cash would be the following: Petty cash accounts, monies held in the form of cash or lock boxes, trust funds, etc.
  - ▶ School Districts may hold there nutrition, scholarship, student internal accounts in this section
- 



# CASH AND CASH EQUIVALENTS (Continued)

- ▶ Book Balance (A-3) balance on your accounting records or bank book at June 30<sup>th</sup>
- ▶ Bank Balance (A-3B) balance on your bank statements as of June 30<sup>th</sup>
- ▶ Bank Balances are broken up into two categories for GAAP reporting:
  - Category 1 – Insured and/or Collateralized
  - Category 3 – Uninsured and not Collateralized

# CASH AND CASH EQUIVALENTS (CONTINUED)

- ▶ Category 1 (Insured and/or Collateralized)
    - Deposits with securities held by the State or agent in the State's name
    - Monies are insured by FDIC up to \$250,000 per investor per financial institution
    - If insured with the State's EI# 516000279, only report up to the \$250,000 as insured
  
  - ▶ Category 3 (Uninsured and not Collateralized)
    - Deposits held by the pledging financial institution or its trust department or agent but not in the State's name
    - If insured with the State's EI # 516000279 up to \$250,000 in Category 1 then the remainder of your amounts will be placed in this column for financial reporting
    - If not insured with the State's EI# 516000279 and your total amounts will be placed in this column for financial reporting
- 

# CASH AND CASH EQUIVALENTS (A-3B) GMEN SCREEN

**Agency:** Criminal Justice Council      **Department:** 100701      **Fiscal Year:** 2013  
**Created By:**      ☐ N/A  
**Primary Contact:** Julie Bolline      **Phone Number:** 302-577-8698      ☒ Completed

GAAP Fund #	Bank Name	Account Number	Account Federal El#	Opened through the Office of the State Treasurer	Bank Balance at 6/30 CY	Insured and/or Collateralized	Uninsured and/or NOT Collateralized	Total of All Cash
225	PNC	569400210	516000279	<input checked="" type="checkbox"/>	1044	1044		1044

**Totals**      1044      1044      0

[CCE Book \(A-3\)](#) | [CCE Bank \(A-3B\)](#) | [CCE Sum \(A-4/4B\)](#)

Please place your bank balance amounts in the proper Insured or Uninsured Columns placed on the guidance from the GAAP Reporting Manual

# CASH AND CASH EQUIVALENTS (A-4/A-4B) GMEN SCREEN

New Window Help http

CCE Book (A-3) CCE Bank (A-3B) CCE Sum (A-4/4B)

Agency: Accounting Department: 250501 Fiscal Year: 2013  
 Created By: Primary Contact: Jackie Keel Phone Number: 672-5512  
☒ Component Completed

BOOK | Find | First 1 of 1 Last

GAAP Fund	Reconciled Book Balance at 6/30 CY	Reconciled Book Balance at 6/30 PY	Reconciled Book Balance Difference	Reconciled Book Balance Difference %	Interest Income Receivable at 6/30 CY	Interest Income Receivable at 6/30 PY	Interest Income Receivable Difference
100	1000	1000	0	0	0	0	0
<b>Totals</b>	1000	1000			0	0	

Explanation - Book

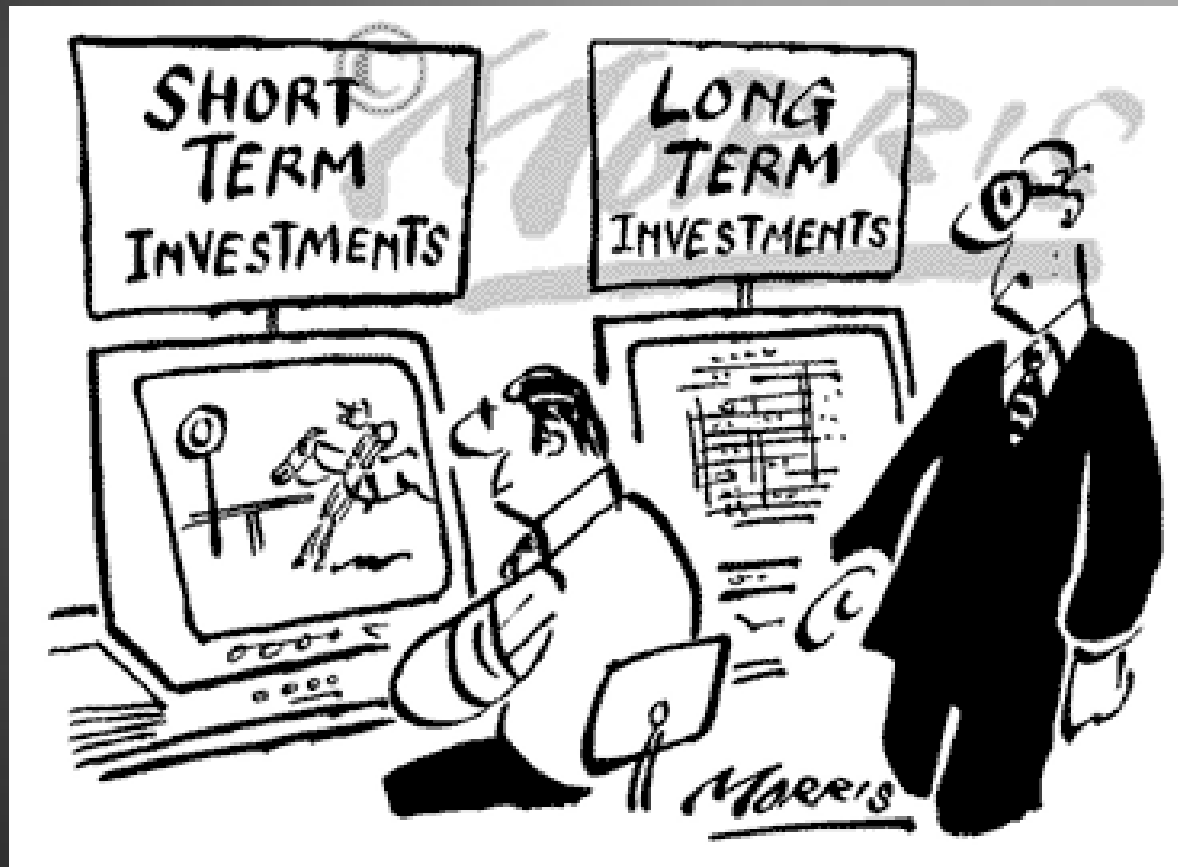
BANK | Find | First 1 of 1 Last

GAAP Fund	Bank Balance at 6/30 CY	Bank Balance at 6/30 PY	Difference \$	Difference %
100	1000	1000	0	0
<b>Totals</b>	1000	1000		

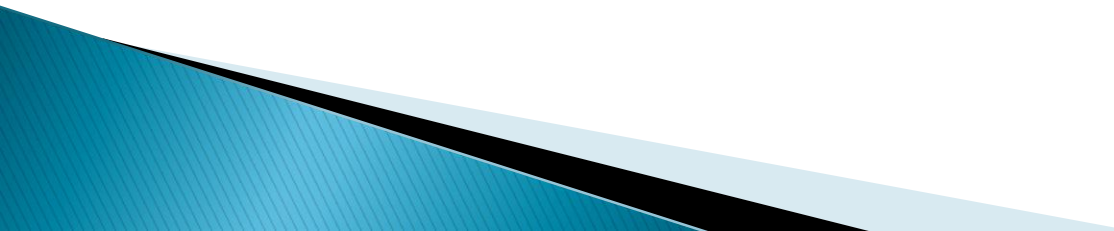
Explanation - Bank

In FY13 there was a defect on the Tab A-4/A-4B with the book and bank balances for Current Year being incorrect; revisions are currently being made by FSF to correct the problem.

# INVESTMENTS – Section A



# INVESTMENTS

- ▶ Investments that exist outside of FSF including the risks associated with them as of June 30<sup>th</sup>
  - ▶ Certificates of Deposit (CDs), Commercial Paper, U.S. Government Bonds, Corporate Obligations, Municipal Bonds, Other Pooled Investments are all investment types
- 



# INVESTMENTS (Continued)

Ensure that investments are  
indicated with Market and  
Reconciled Carrying Values as of  
June 30<sup>th</sup>

# Investments (A-5) GMEN SCREEN

FSF-PD 9.1

Home | Worklist | MultiChannel Console | Add to Favorites | Sign out

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Investments

New Window ? Help http

Fiscal Year: 2013 ☐ Not Applicable ☒ Completed

422.1609

Number	Exporter's EIN Number	Purpose of Account	Investment Type	Market Value at 6/30 CY	Interest Income at 6/30 CY	Reconciled Carrying Value at 6/30 CY
218	516000279	INTEREST USED TOWARDS ACTIVITY	Certificates of Deposit	24000		

Totals 24000

Please ensure that both Market and Reconciled Carrying value amounts are Provided on this page prior to saving and summarizing the data in GMEN.



# RISK CLASSIFICATIONS

## SECTION A



# RISK CLASSIFICATIONS

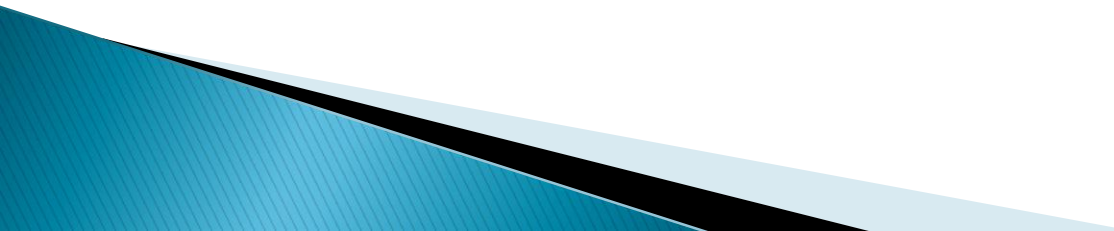
- ▶ Bank Balances are broken up into two categories for GAAP reporting:
  - Category 1 – Insured and/or Collateralized
  - Category 3 – Uninsured and not Collateralized
    - ***REPORT ON GAAP FORM A-10A***
  
- ▶ Investments are broken up into two categories:
  - Category A – Insured and/or Collateralized
  - Category C – Uninsured and not Collateralized
    - ***REPORT ON GAAP FORM A-10B***
  
- ▶ Review your investments types and investment coverage annually with brokers

# ACCOUNTS RECEIVABLE – SECTION B



**“You handled the audit so well, we’re promoting you  
from Accounts Receivable to Accounts Deceivable.”**

# ACCOUNTS RECEIVABLE

- ▶ Gather information regarding accounts receivable from individuals or private organizations at June 30<sup>th</sup> to properly reflect your accounts receivable and allowance for doubtful accounts.
  - ▶ Report the GROSS accounts receivable if (in aggregate) equal or in excess of \$100,000 or more at June 30<sup>th</sup>
  - ▶ Properly estimate your Allowance for Doubtful Accounts, Deferred Revenues and Write Offs for Uncollectible Debt
- 



# ACCOUNTS RECEIVABLE (B-3A/B-4C) GMEN SCREEN

Customize   Find    First 1 of 2 Last							
Fund Code	Brief Description of Receivables	Total Gross Receivables at 6/30 CY	Less Allowance for Doubtful Accounts at 6/30 CY	Total Net Receivables at 6/30 CY	Expected to be Collected Within 60 Days	Expected to be Collected Within 61-365 Days	Expected to be Collected After 365 Days
100	Lexis 2nd Qtr Per Page	235462		235462	235462		
100	Lexis 2nd Qtr Royalty	102700		102700	102700		

<b>Totals</b>	338162	0	338162	338162	0	0
---------------	--------	---	--------	--------	---	---

[R \(B-3A/4C\)](#) | [AR Sum \(B-4A/4B\)](#)

Please ensure that the amounts entered on this page are properly reflected on Your FY14 GAAP forms and balance in the receivable collection columns.

# ACCOUNTS PAYABLE – SECTION C

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glasbergen.com



**“If an invoice is due in 30 days, we pay it in 60 days.  
If it’s due in 60 days, we pay it in 90 days. If it’s  
due in 90 days, then they probably don’t  
need the money anyway.”**

# ACCOUNTS PAYABLE

- ▶ Accurately report all accounts payable at June 30<sup>th</sup>
  - Accounts Payable – Due to Vendors/Payers (C-3A)
  - Accounts Payable – Other Payables for Salaries (C-3B)
- Please ensure that the good and services date are placed on PV and IV documents. For purchase orders this should be documented on the “receiving report” copy of the purchase order. – *KPMG Audit Finding*

# Accounts Payable (C-4A/C-4B)

## GMEN SCREEN

FSF-PD 9.1

Home | Worklist | MultiChannel Console | Add to Favorites | Sign out

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Accounts Payable

New Window ? Help Customize Page http

AP Due VNDR (C-3A) AP OTH PAY (C-3B) AP SUM (C-4A/4B)

Agency: Accounting	Department: 250501	Fiscal Year: 2013
Created By:		<input checked="" type="checkbox"/> Component Completed
Primary Contact: Jackie Keel	Phone Number: 672-5512	

NOTE: SCROLL TO BOTTOM OF PAGE TO CLICK ON COMPLETE BUTTON.

# Accounts Payable (C-4A/C-4B)

## GMEN SCREEN

Other Payables for Salaries | Find | First 1 of 1 Last

Fund Code	Overtime Earned CY	Overtime Earned PY	Variance \$	Variance %	Termination Pay Earned CY	Termination Pay Earned PY	Variance \$	Variance %
100	0	0	0	999999999999999999		238	-238	
<b>Totals</b>	0	0			0	238		

Explanation - Other Payables

AP Totals By GAAP Fund | Find | First 1 of 1 Last

GAAP Fund	Total Accounts Payable at 6/30 CY	Total Accounts Payable at 6/30 PY
100		238
<b>Total</b>		

Complete Cancel

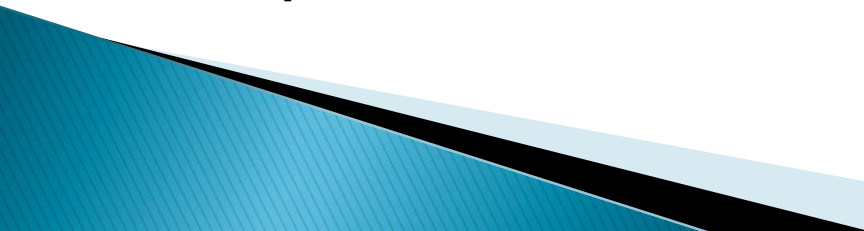
Remember to scroll down as this Complete Button sits low on page

# SUPPLIES AND MATERIALS INVENTORY – SECTION D





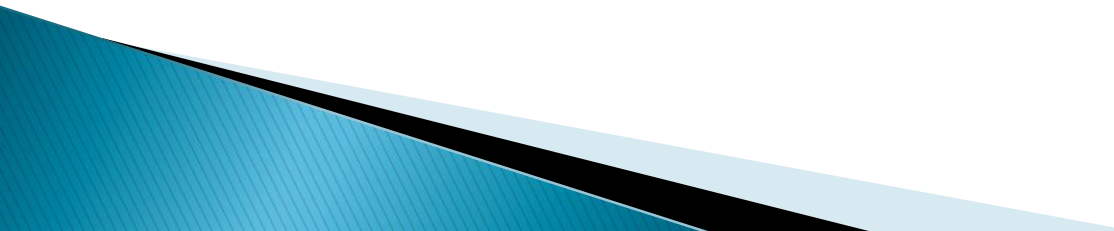
# SUPPLIES AND MATERIALS INVENTORY

- ▶ To properly reflect in the State's financial statements inventory held as of June 30<sup>th</sup>
  - ▶ Report new and unused supplies and materials that have a value of \$100,000 or more per central location
  - ▶ Report new and unused supplies and materials that have a value of \$500,000 or more, in aggregate, per agency (i.e. department/school district level)
- 

# FEDERAL GRANTS – SECTION E



# FEDERAL GRANTS

- ▶ Grant reporting will be handled by DoA this year. A query has been generated for internal use only to accurately capture the federal grant reporting at June 30<sup>th</sup>
  - ▶ All state organizations and local school districts will be required to mark the Federal Grant E-3 GMEN screens as N/A or not applicable. Then submit complete on the E-5 Federal Grant Summary Page.
- 

# Federal Grants GMEN Screen

FSF-PD 9.1

Home | Worklist | MultiChannel Console | Add to Favorites | Sign Out

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Federal Grants

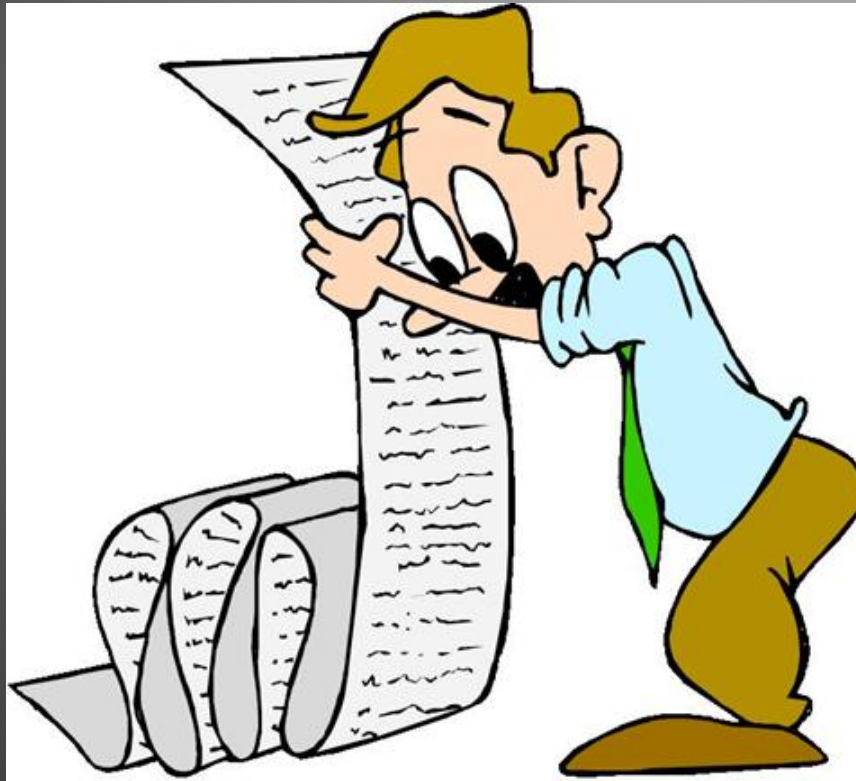
Fed Grants (E-3) | Fed Grants Sum (E-5)

New Window | Help | Customize Page | Print

Agency: Accounting	Department: 250501	Fiscal Year: 2013	<input checked="" type="checkbox"/> Not Applicable
Created By:			<input checked="" type="checkbox"/> Completed
Primary Contact: Jackie Keel	Phone Number: 672-5512		

Please mark as N/A or Not Applicable

# COMPENSATED ABSENCES – SECTION G

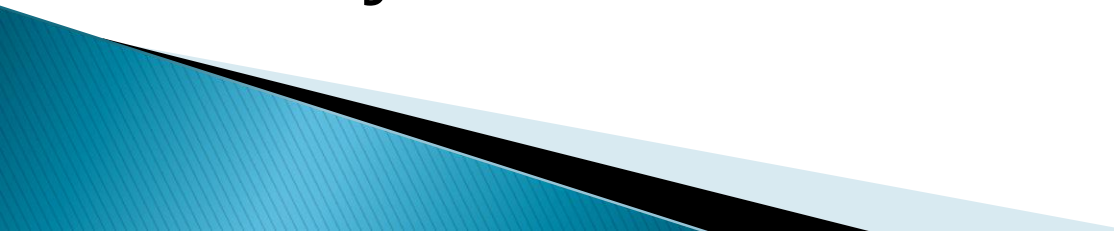


# COMPENSATED ABSENCES

- ▶ To record and disclose compensated absences on the State's financial statements and the accompanying notes as of June 30<sup>th</sup>.
- ▶ Please submit your Compensated Absences supporting documentation and excel spreadsheet to Division of Accounting for review.
  - *Submit on or before the date of August 8, 2014*



# Compensated Absences (Continued)

- ▶ The daily or hourly pay in effect at June 30 should be reported
    - School Districts should use an employee's daily pay rate.
  - ▶ When calculating accumulated unused sick leave, be sure to divide the amount by 2 up to 337.5hrs for 7.5hr work day and 360 hours for an 8.0hr work day unless unique situation
  - ▶ If payroll is split funded, compensated absences must be split funded when reported.
  - ▶ Be sure to list all employees on the State payroll as of June 30.
- 



# Compensated Absences GMEN Screen

FSF-PD 9.1

Home | Worklist | MultiChannel Console | Add to Favorites

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Compensated Absences

New Window ? Help Customize Page

Comp Abs (G-3/4) | **Comp Abs Sum (G-5)**

<b>Agency:</b> Accounting	<b>Department:</b> 250501	<b>Fiscal Year:</b> 2013	<input checked="" type="checkbox"/> <b>Not Applicable</b>
<b>Created By:</b>			<input checked="" type="checkbox"/> <b>Completed</b>
<b>Primary Contact:</b> Jackie Keel	<b>Phone Number:</b> 672-5512		

Please mark as N/A or Not Applicable

Save Save and Summarize Cancel

Return to Search

Comp Abs (G-3/4) | [Comp Abs Sum \(G-5\)](#)

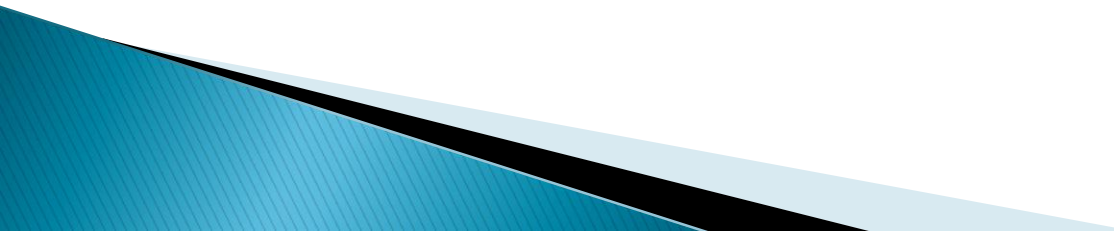


# PROJECTS – SECTION H

CONSTRUCTION WORK IN PROGRESS (CWIP) AND  
CONSTRUCTION SOFTWARE IN PROCESS (CSIP)

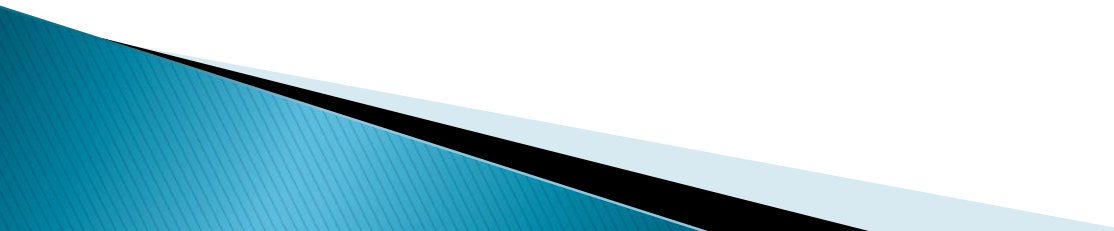
# Construction Work in Progress (CWIP)

Work in progress (e.g. labor, material, equipment, or overhead costs) for a construction project and the total project cost at completion is estimated to be **\$100,000 or greater** and expected to be complete within more than one year.



# Computer Software in Process (CSIP)

The State's policy is to report the costs associated with the application development phase for software projects that are not yet substantially complete as of June 30th where the final cost of the completed asset will be **\$1,000,000 or more**. These costs are to be capitalized.



# Activity Summaries A-12A & A-12B

- ▶ Completed for all GAAP funds 100 through 845 activity
  - ▶ Can only complete when all forms and section are complete
  - ▶ There should not be any activity that processed through FSF reported in either section
- ▶ Completed for all GAAP funds 855 through 890 activity
  - ▶ Can only complete when all forms and section are complete
  - ▶ There should not be any activity that processed through FSF reported in either section

Activity Summary A-12 A

Activity Summary A-12B

# Activity Summary (A-12B)

## GMEN Screen

**NOTE:** This form summarizes the monies earned (revenues) and the monies spent (expenses) outside of FSF, by GAAP fund (for GAAP funds 855 through 890 only). In preparation of Form A-12B, ensure that you are taking the sum of the amounts for GAAP funds 855 through 890 only. In addition, do not report activity that has been processed through FSF. The form is not to be prepared on an individual GAAP fund basis.

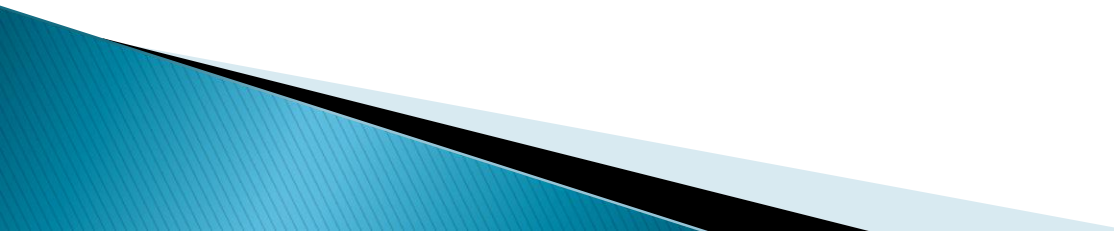
Customize   Find   First 1.6 of 6 Last				
Account Type	Beginning Balance (Balance at June 30, PY)	Total Additions	Total Deductions	Total Outstanding Balance
Cash and Cash Equivalents	163296	495668	504967	153997
Investments	24000			
Accounts Receivable				
Accounts Receivable Due From Other State Agencies or Funds				
Accounts Payable	163297	495668	504969	153996
Accounts Payable Due to Other Agencies or Funds				

Save Complete Cancel

Return to Search

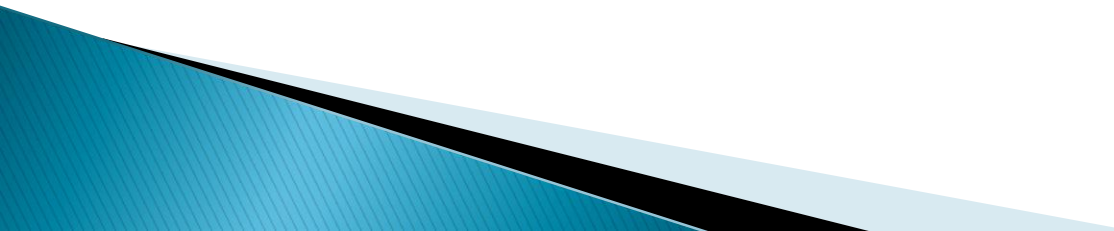
Error made in system; revisions being made by FSF to correct

# FY13 AUDIT FINDING AND RECOMMENDATION SUMMARY


- ▶ **Finding:** Selection of reviewed Payment Vouchers (PVs) determined that when Payment Vouchers (PVs) were used to pay bills the goods and service dates were omitted from the documentation
  - ▶ **Recommendation:** Ensure that all Payment Vouchers (PVs) have the goods and services dates on the documentation.
- 




# FY13 AUDIT FINDING AND RECOMMENDATION SUMMARY (Continued)

- ▶ **Finding:** Reviewed Grants section and determined that Grants Receivable provided discrepancies.
  - ▶ **Recommendation:** Ensure that when utilizing the FSF system, that the FSF system is used as instructed for Grants to reduce findings and produce accurate financial reporting data
- 

# FY13 AUDIT FINDING AND RECOMMENDATION SUMMARY (Continued)

- ▶ **Finding:** Reimbursement of Expenses
  - ▶ **Recommendation:** When receiving a reimbursement of an expense during a current year, reduce the expense or follow DoA's memo to apply the reimbursement to revenue if it was from a prior year. In the event that indirect charges occur that are not considered to be reimbursement of an expense DoA wants to be notified.
- 

# Refresher Points

- ▶ Completion of both the FY14 GAAP Excel forms and GMEN data entry is required for all GAAP sections
  - ▶ Complete the entire FY14 GAAP excel forms and only submit the required GAAP forms to DoA indicated on the GAAP Closing Schedule
  - ▶ Retain copies of your prior and current year GAAP reporting packages in your files
- 

# Refresher Points (Continued)

- ▶ In completing the GAAP forms or GMEN data entry ALWAYS round your dollar amounts to the nearest whole dollar
  - For example, \$2,120.60 would be posted as \$2,121
- ▶ Always ensure that there are at least two roles in the GAAP/GMEN Reporting process. These roles consist of:
  - Preparer
  - Reviewer
- ▶ GMEN User IDs will be activated on July 10<sup>th</sup>; they will not be activated by FSF Security prior to that.
  - GMEN User Id is similar to FSF User Id but just contains GMEN at the end (i.e. FFMSBAFGMEN)
  - Default Password will be the following:  
DE\$MMDDXXXX MM=birth month DD=birth day XXXX=  
last four of social

# Refresher Points (Continued)

- ▶ Always remember if the Prior Year amount differs from the Current Year amount by 10% and the change equals or exceeds \$50,000, briefly explain the reason for the variance in the comments section on your GAAP excel forms and the explanation section in GMEN

# FSF Monthly Certification and Reconciliation



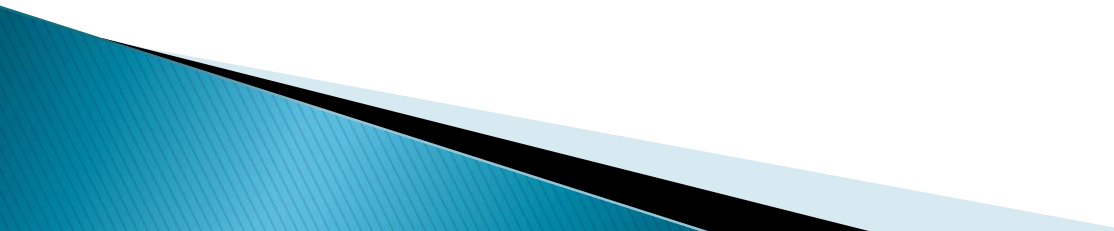
*Eric & Bill*

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7/16

"Hey, we're government accountants.  
These numbers aren't supposed to add up."

# FSF Monthly Certification

- ▶ Monthly certifications due to DoA by the 15<sup>th</sup> of each following month
    - *For example, January 2014 certification due on February 15<sup>th</sup>*
  - ▶ Unreconciled items from each module should be submitted on Reconciliation Exception Report forms
  - ▶ Contact FSF Help Desk 302-526-5600
- 



# Important Reference Links

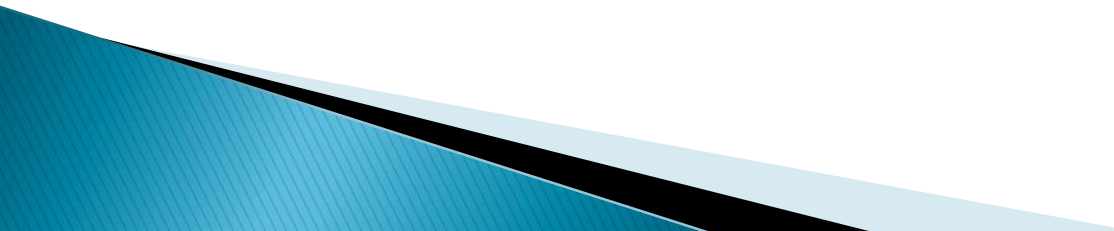
- ▶ FY14 GAAP Reporting Manual, GAAP Presentations, GAAP Excel Forms, and Pertinent Information:

<http://accounting.delaware.gov/manuals.shtml>

- ▶ FY14 GAAP UPK and UPK Training Guide:

[http://extranet.fsf.state.de.us/mod\\_gaap\\_gmen.shtml](http://extranet.fsf.state.de.us/mod_gaap_gmen.shtml)

# QUESTIONS OR CONCERNS ???

- ▶ For technical assistance contact the following:
    - Robert C. Johnson, State Accountant V 672-5511
    - Brennon A. Fountain, State Accountant IV 672-5513
    - Christine Talley, State Accountant IV 672-5504
  
  - ▶ For questions regarding GAAP forms, supporting documentation, and/or reporting deadlines
    - Jennifer Thornton, State Accountant III 672-5541
- 

# FY14 GAAPADVANCED ONLINE TRAINING FINAL ROLL CALL



# EVALUATIONS

Please fax all evaluations  
to 302-736-7928 ☺